

EPHRATA SCHOOL DISTRICT No. 165
Grant County, Washington
September 1, 1990 Through August 31, 1992

Schedule Of Findings

1. The District Should Monitor Associated Student Body (ASB) Activities And Ensure State Laws And The School Accounting Manual Are Followed

Our review of the ASB funds of the district identified weaknesses in the internal control structure. Many of these weaknesses were identified in our last audit and brought to the attention of the district's management. The following weaknesses were identified this audit period.

a. Revenue Generating Activities:

- (1) Inventory controls have not been established over soft drink machine sales.
- (2) The district uses a ticket accountability form for all athletic gate receipts. Tickets, however, are not given to game attendees, resulting in unexplained significant differences between ticket count and actual revenue.

b. Cash Receipting:

- (1) Receipts are not supported by documentation to substantiate amounts.
- (2) Receipts that are incorrect as a result of recording errors not being voided.

c. Disbursement Activities:

- (1) Purchase orders are not prenumbered.

d. Other ASB:

- (1) ASB minutes do not identify who attended the meeting, their titles, the range of vouchers and the total amount approved for payment, and are not signed by two ASB officers.
- (2) ASB vouchers are not being approved by the district auditing officer before payment.

The ASB funds are not being operated as required to adequately safeguard funds, increasing the risk that a loss could be incurred and not be discovered by management in a timely manner.

We recommend that the district establish procedures and controls as outlined in the school accounting manual for ASB activities.

We also recommend that the district monitor ASB activities to ensure that controls are in place and review any discrepancies that are identified.